1.0
1.1
1.25
1.4
1.6
1.8
2.0
2.2
2.5
2.8
3.2
3.6
4.0
4.5
5.0
MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

DOCUMENT RESUME

ED 103 660 CE 003 264

AUTHOR Slatter, Stuart St. P.; And Others
TITLE The Employment of Non-English Speaking Workers: What Industry Must Do.
INSTITUTION Community Relations Commission, London (England).; London Graduate School of Business (England).
PUB DATE Apr 74
NOTE 34p.

EDRS PRICE MF-$0.76 HC-$1.95 PLUS POSTAGE
DESCRIPTORS Community Benefits; *Cost Effectiveness; Costs; Employment Problems; *English (Second Language); Foreign Countries; *Immigrants; *Industry; Inplant Programs; Language Fluency; *Language Handicaps; Management; Second Language Learning
IDENTIFIERS *Great Britain

ABSTRACT

A pilot study was undertaken for the Community Relations Commission of the employment of non-English speaking immigrants in British industry, using open-ended interviews (21 at the management level, 15 others, and 128 immigrants). Objectives were (1) to investigate the impact on business organizations of employing non-English speaking immigrants and (2) to attempt to analyze the benefits and costs of providing language training, particularly at the company level. Problems of concern to management include the effects of lack of language on job entry and promotion, and the implications of language problems for industrial relations. In-company language training has not been general, has needed support from community leaders, and has been dependent for its success on the attitudes of management at all levels. Analysis of costs and benefits (for the individual, society, and the company) indicates that the various benefits of in-company programs outweigh the costs. Concluding that language training is a factor which could contribute to avoiding future conflict and that unless top management recognizes the need efforts to promote in-company training may be frustrated, the need for urgent, positive action is emphasized, including the provision of major resources for further language training facilities for industry. (SA)

The Employment of Non-English Speaking Workers: What Industry Must Do

ED103660

by Stuart St P Slatter

in collaboration with

Professor A T M Wilson
Professor K Simmonds
from the London Graduate School of Business

and

The Reference Division
The Employment Officer
from the Community Relations Commission

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

PERMISSION TO REPRODUCE THIS COPYRIGHTED MATERIAL HAS BEEN GRANTED BY
Abdul Matin
Comm. Rel. Commission
TO ERIC AND ORGANIZATIONS OPERATING UNDER AGREEMENTS WITH THE NATIONAL INSTITUTE OF EDUCATION. FURTHER REPRODUCTION OUTSIDE THE ERIC SYSTEM REQUIRES PERMISSION OF THE COPYRIGHT OWNER.

CE 003 264

Produced by the Community Relations Commission
in co-operation with the
London Graduate School of Business

April 1974

The Community Relations Commission was established under the Race Relations Act 1968. Under the Act it has the broad duties:

(a) to encourage the establishment of, and assist others to take steps to secure the establishment of, harmonious community relations and to co-ordinate on a national basis the measures adopted for that purpose by others; and

(b) to advise the Secretary of State for the Home Department on any matter referred to the Commission by him and to make recommendations to him, on any matter which the Commission considers should be brought to his attention.

Contents

		Page
I	Introduction	7
II	Major Effects on Industry of Employing Non-English Speaking Immigrants	10
III	Management and Language Training	16
IV	Analysis of Benefits and Costs	19
V	Conclusions and Implications	30

Index of Exhibits

		Page
I	Benefits and costs accruing to the individual in the place of work as a result of language training	20
II	Benefits and costs accruing to society as a result of language training	21
III	Benefits and costs accruing to the company as a result of language training	22
IV	Summary of sample data collected on 128 course participants in 10 companies	24
V	Checklist of costs associated with job turnover	27

Foreword

To: The Home Secretary
The Commission wishes to draw your attention to this report on the language training needs of Asian workers. For some time we have been concerned about the problems facing the 100,000 Asian workers with little or no English. Following discussions with the Department of Employment, the London Business School and Mr Tom Jupp from the Pathway Industrial Language Training Unit, our Senior Employment Officer and the Director of Reference Division asked the Business School to undertake a consulting assignment for us on the employment of non-English speaking immigrants in British industry.

This is their report. The Commission wholeheartedly endorses the report and its recommendation to make available major resources to meet this need, and we ask you to bring it to the attention of the Government. Representations were made to the Government about the need for further language training, and we welcome the Government's initial decision to make available some £100,000 annually for the next three years for the creation of additional facilities along the lines of the Pathway Industrial Unit.

This is a very welcome demonstration of Government intentions in this area and we would like to commend the use of these facilities to those employers who are faced with this problem.

Peter Tucker, *Secretary to the Commission*

1 Introduction

This report presents the principal findings resulting from a *pilot study* undertaken for the Community Relations Commission into the employment of non-English speaking immigrants* in British industry. The origin of the report lay in a long series of discussions between members of the CRC, the Department of Employment, the Pathway Unit and certain faculty members at the London Business School following an apparent increase in racial disputes in British industry as exemplified by the dispute at Mansfield Hosiery Ltd. Specifically, the objectives of this particular inquiry were:

(*a*) To elucidate as clearly as possible in the time available the possible impact and ramifications on business organisations of employing non-English speaking immigrants.

(*b*) To attempt an analysis of the benefits and costs in providing language training for immigrants in industry, particularly at the company level.

To reach these objectives, the following questions were considered:

Are there costs, social, economic and political, where firms employ a significant proportion of non-English speaking groups? To what extent do these costs result from language difficulties as against other socio-cultural differences?

What is the impact on other workers and supervisors of employing a significant proportion of non-English speaking immigrants?

To what extent do the effects of language training vary within different companies? If they do, why is this?

What are the benefits of immigrant-group language training, both inside and outside industry?

What are the benefits of language training to employees? Can these benefits be expressed in monetary terms of present or future income? Are there any disadvantages?

How has language training affected turnover and stability rates of employees in companies providing in-house language courses?

* 'Immigrants' are defined as all those who have entered the UK to find work.

7

What are the elements in the cost of language training? Who bears the cost? How is it spread?

What impact does language training have is likely to have on promotion of immigrant operatives both to more skilled jobs and to supervising grades?

What is the impact of non-English speaking members on local trade union activities? On trade union organisation and practice?

What has been the impact of language training on inter-group relationships on the factory floor? Has it increased or changed communication level and patterns? If so, how?

The principal method of study was to hold open-ended interviews with a wide cross section of management (at all levels) in 21 companies employing significant groups of immigrants. An additional 15 interviews were held with trade union officials, community workers, employment agencies and others with first-hand knowledge of different facets of the situation. In an attempt to isolate language as far as possible from questions of culture and prejudice, European immigrants (primarily from Italy and Spain) were also included in the scope of the study. Some specific data was also collected from employers on 128 immigrants who have attended in-company language training, to obtain some measure of the cost and benefits associated with providing such training. The extent of this data is, however, strictly limited.

Although a number of sociologically-oriented studies have been undertaken concerning the employment of immigrants in British industry, no studies have focused primarily on the issue of language. For this reason, the project is largely exploratory in nature, and no attempt has been made to draw definite conclusions from the findings. The report presented here is *not* a research report and therefore does not include reference to existing literature on race relations, reasons for the methodology and sample companies interviewed, etc. Instead, the report should be read as a consulting report intended to provide guidelines for top management.

The pre-determined scope of the study means that the lack of language capability among immigrants has only been explored as it relates to the industrial situation, thereby omitting the myriad social consequences, outside of the work environment, which affect both the individual personally and society as a whole.

In spite of certain limitations the findings outlined in the following chapters point very clearly to the possible dangers that face British industry, and indeed British society, if the present rather passive attitude is maintained to the presence of large numbers of non-English speaking immigrants. It is, of course, impossible in real life to separate the language problem from the other elements of the mix – culture, social attitudes, prejudice and tolerance – which together constitute the 'race problem' which prompted the establishment of the Race Relations Board and the CRC. Overcoming the language barrier is, however, a pre-requisite to

18

any serious efforts to cross over the cultural barriers which are, in turn, prerequisites for changing social attitudes and prejudices in or out of work. When one considers this logical sequence, the importance of the language element becomes clear. Thus, in spite of its limitations, this report has wide implications not only for industry, but also for government. The question of immigration policy is likely to be a continuing one, since even though the major influx of immigrants from Commonwealth countries may have ceased, economic conditions and EEC policy may lead to increased pressure from the business sector to bring in increased numbers of immigrant workers, as Germany and other European countries have already done.

II Major Effects on Industry of Employing Non-English Speaking Immigrants

This chapter summarises the major problems encountered in those companies where management was interviewed for this study. There appears to be very little disagreement among managers and other observers as to the effects on business organisations. The only variable seems to be the degree to which management is concerned about the consequences of these effects.

Although this chapter, and indeed this report, stresses language it must be remembered that the importance of language is primarily as a means of communication. Taken by itself the language problem for immigrants of all nationalities is one of degree. While there are a significant number speaking little or no English, estimated to be about 100,000, the majority have adequate English; but only within the confines of a strict routine. Their English may, however, be totally inadequate in non-routine situations or in conditions of stress. Furthermore, in spite of knowing some English, many immigrants are still likely to have severe limitations in communicating due to cultural differences of background, attitudes and ethnic origin.

1 Lack of adequate English affects industry at two distinct levels

(1) *There is a basic language problem for first generation immigrants in unskilled jobs*

Among immigrants who did not come from countries where English is commonly spoken, there is a basic language problem. Although no statistics are available, it seems clear that Asians who have arrived in the UK over the last 20 years are the largest group in this category. While in some communities the lack of very basic language skills is more evident among women than men, it is dangerous to generalise. Although the immigrants that have attended the basic courses in some companies have been exclusively women, other language courses, particularly those undertaken in the Midlands, have had chiefly male participants.

It is commonly assumed that the language problem – at least at the basic level – will 'soon' disappear now that the number of new immigrants has declined. Analysis of the age distribution of participants undertaking courses does not bear this out. The course participants on which data was collected had the following age distribution at the date of beginning the course:

Age range	%
Under 25	18
26–35	35
36–45	30
46–55	14
Over 55	3
	100

The sample of 128 participants is obviously inconsequential when one considers that there are estimated to be over 100,000 immigrants without a basic understanding of the language; but it indicates that there is still a significant number (in total) of young immigrants in industry not speaking English. For the most part these are individuals who came to the UK either after school-leaving age or at an age (e.g. 11–12) when compulsory schooling had little effect on their English language ability. The important conclusion, therefore, is that the relative youth of many immigrants without basic language skills indicates that the language problem in industry is a long-term problem, likely to be in existence for at least another 40–50 years.

Within individual companies, problems with basic language tend to have arisen relatively suddenly. Among the most common reasons management have for employing non-English speaking immigrants were:

- The need to recruit an extra shift.
- The recruitment of additional labour due to expansion.
- Geographical location.
- Low wages.

With respect to low wages, there appears to be a close correlation in areas of high immigrant population between the level of wages and the stringency of companies' language requirements. Of the companies interviewed that had utilised the in-company language training courses provided by the Pathway Industrial Unit,* only one continued to employ immigrants almost regardless of their language skills; all the rest having raised their recruitment standards even in time of full employment. In fact, some companies stated that they prefer to operate below capacity rather than lower their language standards.

(2) *The lack of fluency in English is a factor prohibiting immigrants of adequate potential being promoted*

Considerably more widespread than the basic language problem is the problem that arises when immigrants cannot make themselves understood in spite of

* The Pathway Industrial Unit provides in-company language training courses (as well as related services) to companies employing overseas staff. It is part of the Pathway Further Education Centre in Southall, Middlesex, maintained by the London Borough of Ealing Education Committee.

being able to understand and or read and or write. In these instances the language problem is one of pronunciation, idiom and fluency.

It is not only recent immigrants who are affected. Second generation immigrants, including West Indians whose native tongue is English, have the problem. White-collar jobs as well as factory jobs are affected by this lack of fluency. Able individuals are being passed over for promotion with the result that many companies have a disproportionately high percentage of immigrants in their lowest job grades. Except in those few rare companies which keep and collect personnel data on the basis of ethnic origins, the magnitude of this problem is largely unknown.

2 Within individual firms the effect of an almost total absence of the language is felt chiefly at the shop-floor level

(1) *Management has to use interpreters to communicate with its employees*

The use of interpreters on the shop floor would now appear to have become common in many companies employing immigrants. Management has found that this has been necessary to communicate simple information and commands covering such areas as:

Wages and personnel policies.
Safety.
Job instruction.
Efficiency and quality.

From the viewpoint of managers, the use of interpreters appears to be the biggest problem of employing non-English speaking immigrants; 75% of the companies interviewed gave this as the prime reason for starting language training.

The major consequences of using interpreters include:

The production time of the interpreter is wasted.

If the same individual is used regularly he can begin to exert considerable power and influence over the workforce with the possibility of abusing this power.

Extensive use of interpreters can be frustrating and humiliating for the individuals concerned. He, like management, has no idea if his case is being translated fairly.

Accurate interpretation is a skilled and difficult job. Just because the interpreter has a good knowledge of English his accuracy may not be sufficient to interpret the subtle meanings which are often so important.

Interpreters tend to obtain promotion on account of their knowledge of English rather than on their qualities of leadership, experience, etc.

12

(2) *Ethnic work groups are common in many companies*

One of the consequences of an employee not knowing the language is that he or she is allocated by management to work with others of his own race. In this way the communication barriers can be partly overcome since others can explain the necessary tasks which constitute a particular job. Such an arrangement obviously has an appeal to management because it overcomes the communication problem – at least in the short term. When one looks at such work groups closely, however, it is clear they are a symptom of a type of 'separation' policy. Ethnic work units* can also occur in the absence of a language barrier, but where one exists the likelihood of that existence is considerably increased.

While overcoming a short-term problem for management, there are likely to be longer term effects and difficulties, including:

A reduction in job flexibility because of the difficulty in moving employees between one job and another when required (e.g. at times of holidays, sickness, etc.).

The development of group solidarity and group identification among the group members with the result that output may be affected due to the operation of group norms.

Any attempt to teach English to group members will be less than successful since the necessary out-of-class reinforcement of the language is unlikely to occur.

The development of attitudes towards the company which show themselves in such forms as absenteeism and abuse of company welfare programmes.

The development of patterns of social interaction which effectively prevent absorption and the development of social relations with indigenous workers.

(3) *First-line managers find that they have to supervise immigrant employees more closely*

Where supervisors or first-line management suspect that instructions may be misunderstood, they generally check closely. At other times the supervisor may end up doing the job himself. Both induction and training of the new non-English speaking immigrant are difficult, time-consuming and often unproductive. Safety and quality standards and routine procedures are therefore often not understood by immigrants. This leads to greater demands on supervisory time than is really necessary.

(4) *Tensions between English speaking and non-English speaking workers frequently develop and on occasions lead to racial conflict*

* For a more detailed analysis of ethnic work groups, the reader should consult *Race and Industrial Conflict*, by Malcolm Rimmer, Chapter IV (Heinemann Educational Books, 1972).

13

A series of even minor misunderstandings taken together over a period of time can lead to tensions and disputes between different segments of the workforce both vertically and horizontally in the company. A number of companies interviewed admitted to having had a number of fairly serious incidents resulting from failure of communications between employees. In each instance it would appear that what was initially a minor argument or misunderstanding between two people developed into a racial confrontation between the two ethnic groups concerned. Even though the majority of misunderstandings will not result in serious conflicts, minor tensions are still likely to lead to hidden inefficiencies and losses.

(5) *The individual immigrants' job satisfaction is likely to be reduced through his lack of prospects and reduced level of social relationships*

One of the results of keeping immigrants in one routine job because of their lack of English is that over time the individual's motivation becomes sharply reduced. A dead-end job without prospects is likely to reduce an employee's initiative or seriously frustrate him (if he is more intelligent), which can in turn lead to chronic absenteeism besides lower efficiency on the job.

Not being able to communicate with fellow workers can also be a contributory factor to reduced job satisfaction, since in many jobs, particularly monotonous, labour-intensive jobs (jobs in many packing departments would fall into this category), social communication is most important.

3 Where the lack of language affects promotion prospects the impact on a firm is less direct but potentially more dangerous

The fact that an employee is not promoted due to his language ability has less obvious effects on the operation of a company, although job flexibility is still likely to be sharply reduced and the degree of supervision required greater where contact with individuals outside the organisation is concerned. In one large administrative organisation, for example, first-line managers often undertake telephone calls for their subordinates. In the longer term, when the able people, who are not being promoted begin to feel victimised, far greater effects are likely to occur, particularly when they themselves do not believe that their English is inadequate for promotion.

The lack of fluency in English is undoubtedly used by some employers as an excuse for not promoting immigrants when, in fact, the real reason is one of prejudice. At Mansfield Hosiery Ltd., for example, management attempted to use language in such a way. To date there have been few cases in the UK where conflict has occurred due to lack of promotion opportunities, but in the longer term this will most likely change. As immigrants begin to feel more secure they will inevitably demand the equal rights to which they are entitled as citizens.

14 ci

4 The inability to communicate hinders effective industrial relations

(1) *The lack of basic language skills is a major handicap to effective unionisation*

Unions were at first somewhat slow and even reluctant to recruit new immigrants as members. In the last five years, however, the big general unions, particularly the Transport & General Workers and the Municipal & General Workers have actively recruited immigrants.

Unionisation of immigrants, particularly Asians, who originated primarily from agricultural regions, is not particularly easy even where language is not a major problem. This is because the whole concept of unions is alien to many newly arrived immigrants. Where the inability to communicate is also present, the problem is obviously compounded. In spite of such problems, many non-English speaking immigrants have joined unions recently – seemingly more from motives related to group solidarity than from any thorough understanding of the real purpose of the unions.

It appears that of all the unions only the two mentioned above have actually provided funds to employ interpreters. Even with these unions this appears to be the exception rather than the rule. Generally non-English speaking union members are passive members who do not participate in union activities.

(2) *The greatest problem occurs at the level of the shop stewards*

Union chiefs at the district level and above generally appear to find racial matters to be embarrassing. The reasons for this are complex, but generally result from a conflict between the public policy of the unions and their members' attitudes. District officials tend to push problems back to the shop stewards to sort out themselves.

Where shop stewards find themselves unable to communicate with their members, their authority rapidly becomes diminished. Of course, this is not the case where the shop steward is himself of the same ethnic origin as the majority of immigrants, but this is rare, particularly where Asians are concerned. With diminished authority and the presence of ethnic work groups, shop stewards are increasingly finding themselves acting as mediators between a group of immigrants and management, or accused of being management-oriented.

25 X 2

III Management and Language Training

Apart from the language courses run by the Pathway Industrial Unit and by a few Colleges of Further Education, there have been only a few isolated companies who have attempted to teach English to their employees. What in-company language training has been attempted has been supported by local community leaders.

1 Managements' attitudes are the key to the recognition and handling of all minority group problems including the provision of language training in industry

(1) *Managers' attitudes reflect the social attitudes of the community at large*

Among top management there is often little or no recognition of the fact that special problems may exist in companies due to the employment of immigrant groups, and this reflects the attitude of society as a whole. The mass media has generally been reluctant to play up race problems and therefore race has not become a major issue in the minds of most people, managers included.

When the subject of race relations and communicating with immigrants arises, companies pay lip service to the need for communicating in a broad sense, but tend to claim that immigrants can work successfully with little knowledge of the language.

(2) *Senior managers contend that they have more urgent problems than language training*

Since top executives have far more things to do than there is time in which to do them, they allocate their time to what they regard as high priority tasks. In most companies these are likely to be tasks which have an immediate impact on profitability. While this can be viewed as a short-term approach, it still remains extremely difficult to convince top management that a language problem actually exists. In this respect it is most noticeable that the impetus for language training has come, in nearly all companies, from the personnel and/or training departments.

It seems likely that to some extent senior managers' lack of recognition of a language or communication problem is the result of their unwillingness, as with any new problem, to admit to it for fear that it will be embarrassing or will reflect on their managerial efficiency. Also, it may be due to their conviction that they can do nothing about it (e.g. in developing policies on the use of English in the

workplace). Whatever the reason, it is undoubtedly very common for senior managers to dismiss or reject the existence of a problem in their own companies.

(3) *Management views language training in the same way as it views training in general*

Among senior and top management, perception about training in general varies enormously, but for many it has a relatively low status. This arises because the pay-off from training in financial terms is often intangible. A few businessmen are beginning to realise, however, that its human resources are one of its major assets, and that a stable and high-quality labour force is vital to their firms' success. Until the importance of human assets is fully realised, convincing managers to invest in training of any type is likely to remain difficult.

2 The attitudes of supervisors and middle management are also the key to providing effective language training

It is common practice for many indigenous first-line managers to think that immigrants use their inability to speak English correctly as an excuse. Language assessment studies, however, have shown that more often than not language is likely to be a genuine problem, and does act as a tremendous obstacle to the essential communication needs of the company. To overcome this, first-line managers or supervisors need a certain amount of knowledge and analytical ability to judge between an excuse and a real breakdown in communications due to language. Furthermore, they need a sensitivity to the situation, and to the motives and attitudes of immigrants to understand the overall communications process with which they must contend when employing immigrants. Without such an understanding, language courses for immigrants are unlikely to improve communications, although they may still improve language ability.

Thus any language training needs to be undertaken in conjunction with supervisory training. Some such courses have already proved their worth in:

Recognising the reality and importance of communication problems with non-English speaking immigrants.

Understanding immigrants' problems in learning and using English successfully.

Convincing first-line managers about the need to take *positive* steps to overcome problems on the shop floor.

It appears likely that just the ability to recognise and analyse language breakdowns will itself prevent some of the dangerous long-term effects that can arise from communication breakdowns.

3 Managers are often fearful of a possible white backlash

Nearly all managers interviewed expressed the view that by providing language classes specifically for a minority group, there is the danger of alienating white

workers. While this may of course occur, no company which has actually undertaken language training has experienced any serious problems in this area. The issue for management in such situations is clearly the following: is it better to have some complaints now or to have a major inter-group conflict at a future date? What may not be realised is that if the firm is committed at senior levels, it is relatively easier to ride over superficial racial prejudice.

4 Some firms feel they have a vested interest in not initiating language training due to the reduced job mobility of non-English speaking immigrants

Managers in some companies, particularly small companies involved in dirty work and paying relatively low wages, expressed the view that language training would cause immigrants to either:

Leave for better jobs elsewhere, or

Demand more rights, i.e. become more militant or 'union-oriented'.

Considerably more empirical research is needed to determine exactly which industries and what type of companies are most likely to feel this way. However, from the data gathered, it is clear that the individual immigrant's job mobility is sharply *reduced* by not knowing the language. Whereas in a sample of companies the mean annual turnover rate for all employees was 80% per year, for those attending basic language courses, the average length of service at the time the course was held was close to two years.

IV Analysis of Benefits and Costs

Language training, like any other training or manpower programme, needs to be evaluated. This evaluation can take many forms and be concerned with many different aspects of the training activity. In this chapter, however, language training will only be evaluated from the standpoint of economic efficiency. No attempt is made to evaluate the learning achievements of participants, the use of facilities, whether training is achieving its goals or the efficiency of in-company training versus alternative methods. Nevertheless, there are some social benefits and costs, which although not measurable in economic terms, are of considerable importance. Where appropriate, these are discussed and listed.

The purpose of undertaking an analysis of benefits and costs in this report is simply to indicate whether the value of the outputs of language training exceeds the value of the inputs. It is only one of many ways by which success can be judged: it does not give any final answer as to whether language training is 'justified' or 'good' or should be expanded or contracted. It merely *suggests* how well language training is operating when viewed in a specific manner.

1 Separate costs and benefits accrue to the company, the individual, society and government

Benefits and costs can be viewed appropriately from four different standpoints. The lists of costs and benefits are not the same for each, but neither are the lists of goals and the relative importance attached to each. Exhibits I and II on the following pages list the principal costs and benefits accruing to the individual and to society and government. These are obviously not exhaustive lists and in most cases each individual item could itself be sub-divided into many components. This, however, is beyond the scope of the report. For the remainder of this chapter, the benefits and costs accruing to the company alone will be considered. Exhibit III in large part summarises the findings of Chapter II and it is these particular benefits and costs which, based on the available data, will be quantified as far as possible.

Exhibit I

Benefits and costs accruing to the individual in the place of work as a result of language training

Benefits	*Costs*
Less frustration due to inability to communicate.	Opportunity cost of time spent at course if outside normal working hours or if affects overtime payments.
Less loss of personal dignity.	Loss of any supplementary welfare payments after up-grading to better job.
Increased chances of promotion to better paying job.	
Increase in earnings (net of taxes).	
Additional fringe benefits due to increased income.	
Increased opportunity of developing social relations with indigenous people.	
Less reliance on fellow immigrants.	

Exhibit II

Benefits and costs accruing to society* as a result of language training

Benefits	*Costs*
Increase in earnings of participants (gross of taxes) due to up-grading and ability to obtain better jobs.	Operating cost of training agency (e.g. Pathway).
Increases in other income due to: resources becoming more productive; increase in productivity of future generations as children become better educated (inter-generation effect); previous unemployed workers taking jobs vacated by participants.	Capital expenses of training agency.
	Additional administrative expenses to government.
	Subsidies paid to industry for training.
	Opportunity costs (gross of taxes).
	Induced reduction in income of workers displaced by participants.
Reduction in costs of law and order resulting from less racial tension arising out of miscomprehension and ignorance.	
Less industrial stoppages due to misunderstanding and poor communications.	
Decrease in expenses relating to unemployment and welfare when applicable (e.g. supplemental income payments).	
Decrease in N.H.S. costs due to reduction in psychiatric care.	

* Including government.

21

Exhibit III

Benefits and costs accruing to the company as a result of language training

Benefits

Reduction in amount of supervising time required.

Better communications leading to less industrial disputes and stoppages.

Reduction in volume of work rejected by quality control.

Reduced costs relating to reduced turnover.**

Increase in production output due to:
- more job satisfaction;
- better understanding of supervisory commands;
- less reliance on ethnic work groups;
- reduction in tension between different ethnic groups.

Increase in job flexibility at times of:
- sickness;
- absenteeism;
- organisational change;
- technical change;
- redeployment of labour.

Reduction/elimination in costs associated with interpreters.

Reduction in absenteeism and abuse of company welfare schemes.

Reduction in costs of translating administrative and safety notices into foreign languages.

Costs

Monetary costs associated with language training.

Lost production time if course held during working hours.

Lost production output due to:
- lowering of morale of indigenous employees (white backlash effect);
- resentment by other immigrants not selected for courses.

Increased costs relating to increased turnover**
- recruitment;
- training and induction.

** No conclusion can be drawn from the data or from field interviews as to whether language training increases or decreases turnover. See Chapter IV 2 (2).

2 Using best estimates the benefits of in-company language training outweigh the costs

With a few exceptions, studies on the economics of training have tended to dismiss the possibility of using data obtained from individual firms. The reasons for this are the poor records of many companies, the difficulties associated with allocating costs and the difficulties of measuring output foregone, the value of supervisory time, etc. This particular study of language training is no exception to these or any other criticisms that have been levelled against cost-benefit analysis in academic circles. Nevertheless, however scant the data, the analysis is still better than no analysis at all, *providing* its limitations are remembered when interpreting the results.

(1) *A sample of 128 language course participants in 10 companies was used for the study*

Basic data was gathered from 10 of the companies which have utilised the basic language courses of the Pathway Industrial Unit, as well as five other companies that have held independent in-company language training courses. In five of these 15 companies there was no empirical data available since records were either non-existent, had been mislaid or scrapped. In the remaining 10 companies, a total of 128 participants had attended basic language training courses, typically for a period of about 60 hours spread over a 10–12-week period. These participants were of different ethnic origins, although Asians accounted for 75% of the total. Basic information on course participants is summarised in Exhibit IV.

In none of the companies were any control groups originally established so as to be able to compare those attending and those not attending language courses. Furthermore, in no company did those attending the language course account for a significant percentage of a single department. The effect on productivity was therefore not directly measurable although one company had made an ex-post effort to assess the impact of the course in this way.

(2) *The effects of language training on labour turnover vary considerably between companies*

From the empirical data gathered it is impossible to draw any conclusions as to whether language training increases or decreases labour turnover rates. In the sample of 10 companies the range of turnover rates was 30–120% with a mean of 80%. At the time of participating in the basic language course, however, 46% of the immigrants had been employed by the same company for over two years. This could be taken to indicate that the immigrants' job mobility is reduced by his or her inability to speak English.*

* This need not necessarily be the only or indeed the principal reason for reduced mobility.

23

Exhibit IV

Summary of sample data collected on 128 course participants in 10 companies

Sex Distribution	Number of course participants	%
Male	71	55
Female	57	45
Total	128	100

Age Distribution	Number of course participants	%
Under 25	23	18
25–35	45	35
35–45	38	30
45–55	18	14
Over 55	4	3
	128	100

Length of Service at time of Language Course

	Number of course participants	%
Under 6 months	18	14
6–12 months	14	11
13–24 months	38	29
25–36 months	19	15
37–48 months	5	4
49–60 months	14	11
5–6 years	10	8
7–9 years	6	5
10 years and over	4	3
	128	100

24

Data collected on course participants who have terminated their employment since the language courses is inconclusive. This arises largely because most courses have only been held within the last 12 months, but nevertheless significant variations appear between different companies. In one company, where the average length of service prior to the course was seven years, two of the 12 participants had left for higher paying jobs within six months of the course finishing. In no other company was any such effect evident, although it should be added that this particular company paid relatively low wages, and that the mean age of the course participant was 45 years, compared to a sample mean of 35 years.

Due to the inconclusive nature of the data the effects of language training on the costs benefits associated with higher lower turnover rates have not been taken into account in the analysis which follows. However, to highlight the possible magnitude of the costs which are normally related to labour turnover, Exhibit V provides a checklist of headings under which costs can arise. Companies estimated that for the type of jobs typically performed by non-English speaking immigrants the full cost of recruiting, inducting and training a new employee is £150–£250.

(3) *The average full cost to the companies involved amounted to* £1,300 *per course*
The following classification seems to cover the principal costs to the firm of providing in-company language training:

(*a*) The cost of initiating language courses. In each company training officers or persons responsible for training already existed prior to the start of language training. The costs of initiation therefore are the time management spent setting up the course, i.e. the cost of management meetings with Pathway. These are estimated to average £50 per company for the initial course.

(*b*) The on-going costs of co-ordinating language courses. There are overheads and expenditure which in most companies are shared either by other training or by the personnel department or both. For the purposes of this study an apportionment of the actual costs of the 'average' training department has been assumed, equal to £500 per company.

(*c*) The cost of instruction. This is the principal cash outlay for companies, and represents the fee charged by outsiders (in this case the Pathway Industrial Unit) for conducting the course. Pathway's fee for a basic language course averages £350. The Pathway Unit itself, however, is subsidised under the Local Government Act, and the real cost is estimated to average £750 per course. It is this latter figure which will be used here.

(*d*) The cost of the wages of course participants and the net contribution of their lost production (net of wages). In theory, costs accrue to the firm when language courses are held in normal working hours, since this

25

involves losing production. Apart from one company which had a number of participants in the same course from the same production line, no company considered that it had lost production output in spite of losing production time. Although crude and quantitative, in the absence of better data, it will be assumed that the net cost under this category is nil, with the proviso that course participants do not reduce the workforce on the production line below a critical operational level.

(*e*) The net contribution of lost production of indigenous employees and non-course participants. Although such costs tended to concern management, particularly in companies rejecting language training, those companies who have operated basic language courses did not experience any noticeable costs in this area. It will therefore be assumed that the costs are nil.

The following table summarises the costs of one basic 60-hour language course for 12–15 participants:

(*a*) Cost of initiating course	£ 50
(*b*) Cost of co-ordinating course	£ 500
(*c*) Cost of instruction	£ 750
(*d*) Cost of lost production – Course participants	£ Nil
(*e*) Cost of lost production – Other employees	£ Nil
	£1,300

Exhibit V

Checklist of costs associated with job turnover

A. Recruitment costs

Pre-recruitment:

Preparation or review of specifications for both the job to be done and the person to be recruited.

Briefing of personnel office (and advertising staff) with line manager.

Preparation of recruiting programme.

Search:

All indirect promotional advertising effort directed at furthering recruitment.

All direct promotional advertising effort directed at furthering recruitment including job advertising, stationery, postage, documentation or recruitment records and related administration costs.

Head hunting costs.

Candidate evaluation:

Interviewing.

Selection tests either bought or created and including costs of subsequent administration.

Induction:

Inducement to move.

Medical examination prior to establishment procedure.

Orientation.

B. Training costs (offset by grants)

Induction period.

Remuneration of trainee and trainer.

Expenses of trainee and trainer.

Books and materials used.

Machines and buildings used in continuous training.

Bought out training – school, college, government training centre fees.

Development and maintenance of training programmes including costs of staff in training departments when not actually engaged in direct training.

Reports, appraisal costs of those people other than the trainee and trainer, e.g. counselling reviews.

Training for retirement.
Assimilation costs – the costs incurred of employing a person after induction but before he/she is fully proficient.
Higher material wastage until trainee is fully experienced.
Loss of possible production from trainer whilst he/she is engaged in training.

C. Relocation costs

Hotel charges – long term.
Hotel charges – short term.
Direct disturbance allowance.
Costs of disturbance, e.g. legal fees, removal costs.
Premiums paid with regard to housing price differentials or house purchase assistance.
Temporary travel subsidy.
Travelling expenses.
Ex gratia re-equipment costs incurred in moving house.

D. Leaving costs

Loss of production between loss and recruitment.
Statutory redundancy payments (less rebates).
Ex gratia payments.
Retirement payments (other than pensions).

(4) *The average value of the measurable benefits to each company was at least £1,550 per course*

Measuring the benefits quantitatively is even more problematic than measuring the costs. Only one company in the sample had made any attempt to measure the benefits quantitatively, and even here the measurements were extremely crude and questionable. In no case was a control group set up against which course participant's output could be compared. The estimates of cost saving or increased profits are therefore very rough and only meant to serve as a guideline. Nevertheless every effort has been made to be as conservative as possible in measuring these benefits.

The benefits listed in Exhibit III are the prime benefits accruing to the company. While estimates were obtained from management as to certain of these benefits (e.g. an estimate that there is a 5% reduction in the amount of supervision required by participants after the course has ended), most benefits were viewed as marginal on a cost-saving basis in spite of the fact that nearly all companies agreed that there was a noticeable increase in language ability.

Considerably more important than the short-term measurable benefits, however, are the longer term benefits. These obviously cannot be measured accurately except in a long research experiment with a control group spread over a period of years; however, rough estimates clearly show the magnitude of the

savings involved. The nature of these savings is the net contribution to profits that a firm would lose in the future if a work stoppage occurred as the result of inter-group conflict. For companies employing high percentages of immigrants, the findings of this project would tend to indicate that the probability of this event must be at least 50% in the course of the next five years.

Assuming a complete stoppage of five days (the stoppage at Mansfield Hosiery was almost one month), the average direct* loss in net contribution in the 12 companies studied would be about £5,000 per company. The benefits accruing to each individual company that undertakes a language course can then be estimated by:

Net contribution to profits lost by work stoppage	×	Conditional probability of stoppage occurring	×	Discount factor (assumed to be 10%)

or £5,500 × 0.5 × 0.621 = £1,552.5

The above analysis indicates that the cost benefit ratio is in excess of 1.0 under the assumptions outlined above, or in other words that the net economic benefits to companies from language training are greater than the costs involved. The analysis is, of course, severely limited both in its scope and nature for reasons already given, and different assumptions would naturally provide different results. Nevertheless it does provide some indication, however small, of the value of language training. It does not take into account the costs and benefits to the individual or to society (although these were listed in Exhibits I and II): costs and benefits which would undoubtedly show the overall benefits of language training to be considerably greater than the cost.

* There would also be indirect losses in the future due to resentment, etc.

V. Conclusions and Implications

This chapter attempts to draw a few tentative conclusions based on the findings contained in the previous chapters. Although the need for language training cannot be quantified, the implication of the findings is such that the need for urgent, positive action is clear.

1 Language training is a factor which could contribute to avoiding future conflict

(1) *An increase in the number of unofficial strikes is likely unless communications between management and minority groups improve*

The relative impotence of unions in dealing with members with whom they cannot communicate, coupled with the breakdown in union organisation (admitted by union leaders) which has occurred in the last decade, means that unofficial strikes are likely to increase in frequency. Where immigrant groups form a majority group within a given department, or where they undertake a particular key task (e.g. the dust extraction unit in an asbestos plant) they will be more likely to hold management, and possibly union officials, to ransom until their demands are met.

(2) *The lack of adequate language ability for promotion is potentially the most dangerous aspect of the problem*

Where an individual is otherwise fully qualified to undertake a job but is not promoted because of his language skills, the company is leaving itself open to suspicions of racial discrimination. Whether or not such charges are justified soon becomes irrelevant since such charges are highly emotional, and are likely to lead to conflict. The only way to avoid such conflict is therefore to make sure that any impediments to complete equal opportunity are removed.

(3) *Unforeseen events could possibly hasten future conflict*

There is little doubt that conflict between different ethnic groups can arise from lack of adequate communications. These conflicts could quite possibly lead to a hardening of attitudes which unforeseen events could speed up. For example, it can be hypothesised quite logically that a sharp increase in unemployment could worsen the situation. While employers might consider that they could replace immigrants by indigenous employees during a major recession, it is already recognised that many jobs undertaken by immigrants are not jobs indigenous

30

workers would be willing to do, and the situation would arise where the immigrants would be employed and the indigenous population unemployed. Such a situation would most likely lead to severe resentment with the danger that race would be used as a 'scapegoat' for the country's economic troubles. Considerably more research is obviously needed into the effects of changing levels of employment before such conclusions can be drawn but these are the types of question which seem to need answers urgently.

2 Unless top management realises the need exists, efforts to promote in-company training may be frustrated

(1) *Improved methods of communicating with business leaders on matters of social responsibility are required*

It is a common fault of management that as long as problems are not active, nothing need be done about them. Planning for contingent events is either not done or takes a minor role even in the better managed companies. With the language problem specifically and race issues generally, such contingent planning is almost non-existent. Management, while realising they may have productivity problems with some immigrant groups, are nevertheless unaware of future dangers in their own companies, let alone outside in the wider community context.

While the trend is undoubtedly towards recognising that business has a social responsibility in general terms, such a concept is still new for most businessmen and will probably only occur in re-education of one type or another.

(2) *Management is more likely to take action if the need is made obvious*

The few companies which have performed detailed analyses of their workforce and its distribution by ethnic origin have been prompted to take positive action at Board level. It seems plausible and understandable that Boards of Directors are considerably more willing to take positive action based on 'hard data' than on hearsay filtering up through the organisation.

One company is probably particularly illustrative here. A modern highly automated manufacturer which was non-unionised and had never had any problems suddenly encountered the threat of unionisation and a walk-out by its coloured employees because one immigrant employee felt he should have been promoted to a supervisory role instead of a relatively new white employee. On analysing its employees, the company found that it had an extremely high percentage of coloured immigrant employees in one or two departments, and a disproportionately high percentage in the lower grade jobs. Due to the extensive nature of the plant and the lack of work groups *per se*, the situation was not immediately obvious to management or to outside observers. However, when top management saw the analysis, they initiated a *positive* policy to be operated from within the company from the top down.

31

What is important to realise in discussing the problems associated with non-English speaking immigrants in British industry is that it is part of a much wider problem resulting from Britain becoming a multi-racial society over the last few decades. When language is isolated, coloured immigrants with a language problem are found to be basically no different from non-coloured immigrants or even indigenous workers who find it difficult to communicate, since the long-term effects on industrial efficiency and industrial relations are likely to be the same. However, once cultural differences, social attitudes and prejudice complicate the situation, the potential problems are enormously increased. Language training by itself is, of course, only one of many ways of tackling the wider problem of how to ensure that minority groups are included and not excluded from our multi-racial society. However, the need to communicate is such a basic prerequisite to any serious efforts in this field both in and out of work that language training is considerably more important than it may appear at first sight. The longer the problem is ignored, the greater the probable future conflict since the immigrants will be more cohesive, more bitter, feel more rejected and have a longer record of failures by management and others to which they can point. With some minor incidents on shop floors already giving rise to major disputes along racial lines, the outline of the future may already be beginning to emerge.

3 Conclusion

If we were asked to make one recommendation arising from this survey, it is clear that it could only be:

> Make major resources available now for further language training facilities for industry.

32

The Employment of Non-English Speaking Workers: What Industry Must Do is the second in a series of reports which the Community Relations Commission is planning to publish during 1974. Other subjects to be covered in this series will include, the reaction of local authorities to the recommendations of the Select Committee on Race Relations and Immigration and the re-settlement of Ugandan Asians in Britain.

The first publication in this series, *Educational Needs of Children from Minority Groups*, was published in March and is available from the Community Relations Commission, price 30p.